

INMATE TELEPHONE SERVICE LOCATION AGREEMENT

This Pay Telephone Location Agreement made the 14 day of July, 1995, by and between Orange County, hereinafter called LESSOR and Pay Tel Communications, Inc., hereinafter called LESSEE, on the following terms and conditions:

1. EXISTING AGREEMENT. LESSOR and LESSEE are parties to an earlier Inmate Telephone Service Location Agreement which is currently in full force and effect (the "Current Agreement"), and which will remain in full force and effect, except as modified by this Agreement.

2. LEASE. LESSOR, for and in consideration of the rent hereinafter set out and service provided by LESSEE, does hereby lease to said LESSEE a site for the purpose of installing and operating an inmate telephone system upon the following described location(s) and does hereby grant an exclusive right and license to LESSEE for said purpose upon said location(s).

3. LOCATION. The site(s) of said lease and license shall be upon the property of Orange County described on Attachment A.

4. TERM. The term of this agreement shall commence upon the date of expiration of the Current Agreement, without interruption, and shall continue for a period of five (5) years from the date of the commencement of the term under this agreement. This agreement shall be automatically renewed for successive five (5) year terms, unless, at least ninety (90) days prior to the expiration period of any term hereof either party gives written notice to the other of its intent to terminate this Agreement.

5. LEASE PAYMENT. The lease payment shall be the following percentages of gross revenues received, twenty percent (20%) of the local collect calls, twenty-five percent (25%) of intra-lata collect calls, twenty-five percent (25%) of inter-lata intra-state collect calls and thirty percent (30%) of the inter-state collect calls. The lease payment percentages shown above shall replace those used on the remaining term of the Current Agreement. LESSEE shall provide LESSOR monthly accounting of revenues received from the inmate telephone system. Said payments will be paid monthly to LESSOR upon the receipt of revenues by LESSEE. During the term of this Agreement, the lease payment is subject to adjustment by a joint decision of LESSOR and LESSEE upon changes in the regulations governing the operation of the inmate telephones covered under this Agreement.

6. LESSOR and LESSEE hereby agree that:

(a) LESSEE agrees to operate the inmate telephone(s) covered under this Agreement in full compliance with all the rules and regulations of the North Carolina Utilities Commission and the Federal Communications Commission.

(b) During the term of this Agreement or any renewal of the same, LESSOR shall not grant in Orange County Detention Facilities the right of installing and operating inmate phone service to any other company or person, including the local telephone company. In the event that LESSOR subsequently elects to install inmate telephones at any location at which it commences operations during the term of this Agreement, LESSEE shall install inmate telephones at the new locations under the terms and conditions of this Agreement.

(c) LESSOR shall notify LESSEE of any malfunction or loss of inmate telephone services and shall allow LESSEE access to LESSOR's place of business during normal business hours for inmate telephone repair and maintenance. LESSEE agrees to maintain the inmate telephone equipment in good operating condition.

(d) LESSOR shall exercise reasonable care in preventing damage or destruction to the inmate telephone(s) installed under this Agreement, but shall not be liable or responsible for such loss, damage or destruction unless caused by willful or gross neglect.

(e) Losses due to fraudulent calls will be the responsibility of LESSEE. LESSOR will make every effort to prevent unauthorized connections to LESSEE pay telephone lines. LESSOR will assist LESSEE in any efforts to prevent such fraud and aid in the prosecution of any perpetrators of fraudulent calls.

(f) LESSOR has the authority to enter into this Agreement and, in the event of a sale of the location(s) or assignment, sublease or other transfer of the lease covering the location(s), same shall be made subject to this Agreement.

(g) All phones, wiring and booths, if any, shall be installed by LESSEE at its expense and LESSOR hereby authorizes LESSEE to contact the local telephone company to arrange for removal of existing telephone lines and the installation of necessary phone lines. LESSOR will provide space and electrical power for the installation of LESSEE pay telephones. LESSEE shall pay all line and other charges imposed by any telephone company with respect to the LESSEE's inmate telephones. The number of inmate telephones at the location(s) shall be determined by a joint decision of LESSOR and LESSEE and may be adjusted as necessary.

(h) LESSOR hereby grants LESSEE the right to contract with a long distance carrier to handle the long distance calls and LESSEE agrees to charge operator assisted rates that are equal to or less than the tariffed rates regulated by the North Carolina Utilities Commission and the Federal Communications Commission.

(i) LESSOR shall have the right to terminate this Agreement in the event that LESSEE fails to perform its obligations under this Agreement and said failure shall continue for a period of thirty (30) days after written notice to LESSEE of said failure.

(j) LESSEE may terminate this Agreement at any time upon thirty (30) days written notice to LESSOR in the event that regulations governing the operation of the telephones prevent LESSEE from performing its obligations under this agreement.

(k) LESSOR agrees that LESSEE shall have the right to assign this Agreement. This Agreement shall be binding upon the successors and assignees of both LESSOR and LESSEE.

(l) All inmate telephones and other equipment, fixtures and supplies furnished by LESSEE shall remain its property. Upon termination of this Agreement LESSEE shall have the right to enter upon the location to remove all of its property. LESSEE shall repair any and all damage to the location(s) by reason of removal of LESSEE's pay telephone(s).

(m) This is the sole agreement between the parties hereto superseding all previous agreements whether oral or written and shall bind the parties, their successors and assigns. Each acknowledges the receipt and retention of a fully executed copy hereof. This Agreement is not binding unless and until it is reviewed and executed by a duly authorized officer of LESSEE.

EXECUTED this 14th day July, 1995, by the undersigned parties.

LESSOR Orange Co. Sheriff's Dept.

LESSEE: Pay Tel Communications, Inc.

BY: [Signature]

BY: [Signature]

ITS: Sheriff

ITS: President

ADDRESS: 144 E. Margaret Lane

ADDRESS: P.O. Box 8179

Hillsborough, NC 27278

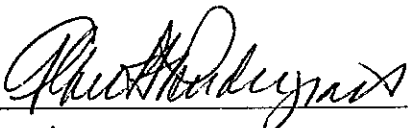
Greensboro, NC 27419

INMATE TELEPHONE AGREEMENT Addendum Number 1

This Addendum, entered into the 1 of JAN, 2000, between Orange County Jail and the Sheriff of Orange County of the one part, hereinafter "Sheriff," and Pay Tel Communications, Inc. of the other part, hereinafter "Pay Tel," modifies the Inmate Telecommunications Agreement (hereafter referred to as the "Agreement") dated July 14, 1995.

For and in consideration of the mutual promises and covenants contained herein, Pay Tel and County, parties to an existing Agreement, hereby agree to modify the Agreement as follows:

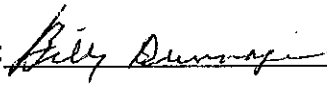
1. **3. TERM.** The initial term ending July 3, 2001 will be extended five (5) years, to and including July 3, 2006. This Agreement shall be automatically renewed for successive five (5) year terms unless written notice of intent to terminate is given by either party no more than 120 days and not less than 60 days prior to the expiration of the then current term..
2. **4. LEASE PAYMENT.** The lease payment shall be the following percentages of gross billable revenues: twenty percent (20%) of the local collect calls, twenty percent (20%) of intra-lata collect calls, twenty-five percent (25%) of the inter-lata intra-state collect calls, and twenty-five percent (25%) of the inter-lata inter-state collect calls.

By:  (Seal)

By: ALBERT L. PENDERGRAS (Printed)
Authorized Agent for County

By:  (Seal)

By: Vincent Townsend (Printed)

Attest: 

Date: 2/15/00

Attest: 

Date: 2/16/00

Account Representative: Phil Ellis

INMATE TELEPHONE AGREEMENT Addendum Number 2

This Addendum, entered into the 15 of May 2006, between Orange County Jail and the Sheriff of Orange County of the one part, hereinafter "Sheriff," and Pay Tel Communications, Inc. of the other part, hereinafter "Pay Tel," modifies the Inmate Telecommunications Agreement Addendum Number 1 (hereafter referred to as the "Agreement") dated January 1, 2000.

For and in consideration of the mutual promises and covenants contained herein, Pay Tel and County, parties to an existing Agreement, hereby agree to modify the Agreement as follows:

1. **3. TERM.** The current term ending July 3, 2006 will be extended five (5) years, to and including July 3, 2011. This Agreement shall be automatically renewed for successive five (5) year terms unless written notice of intent to terminate is given by either party no more than 120 days and not less than 60 days prior to the expiration of the then current term.
2. **4. LEASE PAYMENT.** The lease payment shall be the following percentages of gross billed revenue: thirty-nine percent (39%) of the local collect calls, thirty-nine percent (39%) of intra-lata collect calls, thirty-nine percent (39%) of inter-lata intra-state collect calls, and thirty-nine percent (39%) of the inter-state collect calls. Upon signing of this addendum, Pay Tel will pay a signing bonus of twenty-five thousand dollars (\$25,000.00).
3. **6. (n)** Pay Tel agrees to install inmate telephone equipment that will provide the Sheriff the ability to monitoring and record calls, provide Hot Number Alert and provide inmates to use pre-paid calling cards provided by Pay Tel

ORANGE COUNTY JAIL:

By:  (Seal)By: Albert L. Pendergrass (Printed)
Authorized Agent for CountyAttest: Deanna PopeDate: 6/20/06

PAY TEL COMMUNICATIONS, INC.:

By:  (Seal)By: Vincent Townsend (Printed)Attest: Wanda ThompsonDate: 6/28/06

Account Representative: Phil Ellis

INMATE TELEPHONE AGREEMENT Addendum Number 3

This Addendum, entered into the 19th of February 2009, between Orange County Jail and the Sheriff of Orange County of the one part, hereinafter "Sheriff," and Pay Tel Communications, Inc. of the other part, hereinafter "Pay Tel," modifies the Inmate Telecommunications Agreement Addendum Number 1 dated January 1, 2000 and Inmate Telephone Agreement Number 2 dated May 15, 2006 (hereafter referred to as the "Agreement").

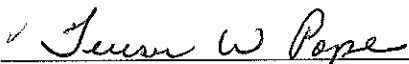
For and in consideration of the mutual promises and covenants contained herein, Pay Tel and County, parties to an existing Agreement, hereby agree to modify the Agreement as follows:

1. **3. TERM.** The current term ending July 3, 2011 will be extended two (2) years, to and including July 3, 2013. This Agreement shall be automatically renewed for successive five (5) year terms unless written notice of intent to terminate is given by either party no more than 120 days and not less than 60 days prior to the expiration of the then current term.
2. **6. (n)** Pay Tel agrees to install inmate telephone equipment that will provide the Sheriff the ability to monitoring and record calls, provide Hot Number Alert and provide inmates to use pre-paid calling cards provided by Pay Tel. This will also provide the ability to access the inmate telephone system from any PC or Laptop with proper user name and password.

ORANGE COUNTY JAIL:


By:  (Seal)

By: ALBERT L. FENDERGRASS (Printed)
Authorized Agent for County


Attest: 

Date: 2/19/09

PAY TEL COMMUNICATIONS, INC.:

By:  (Seal)

By: Vincent Townsend (Printed)

Attest: 

Date: 3/16/09

Account Representative: Phil Ellis

INMATE TELEPHONE AGREEMENT Addendum Number 3

This Addendum, entered into the 27 of February 2013, between Orange County Jail and the Sheriff of Orange County of the one part, hereinafter "Sheriff," and Pay Tel Communications, Inc. of the other part, hereinafter "Pay Tel," modifies the Inmate Telecommunications Agreement Addendum Number 1 dated January 1, 2000, Inmate Telephone Agreement Addendum Number 2 dated May 15, 2006 and Inmate Telephone Agreement Addendum Number 2 dated February 19, 2009 (hereafter referred to as the "Agreement").

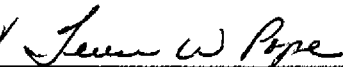
For and in consideration of the mutual promises and covenants contained herein, Pay Tel and County, parties to an existing Agreement, hereby agree to modify the Agreement as follows:

1. **3. TERM.** The current term ending July 3, 2013 will be extended five (5) years, to and including July 3, 2018. This Agreement shall be automatically renewed for successive five (5) year terms unless written notice of intent to terminate is given by either party no more than 120 days and not less than 60 days prior to the expiration of the then current term.
2. **4. LEASE PAYMENT.** The lease payment shall be the following percentages of gross billed revenue: fifty percent (50%) of the local collect calls, fifty percent (50%) of intra-lata collect calls, fifty percent (50%) of inter-lata intra-state collect calls, and fifty percent (50%) of the inter-state collect calls. Upon signing of this addendum, Pay Tel will pay a signing bonus of five thousand dollars (\$5,000.00).
3. **6. (n)** Pay Tel agrees to upgrade inmate telephone to a web based system and provide any updates at no cost to the Sheriff.

ORANGE COUNTY JAIL:

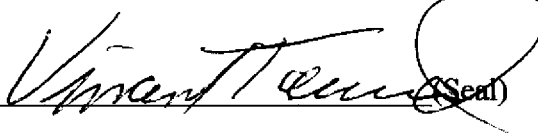
By:  (Seal)

By: Linda Pendegross (Printed)
Authorized Agent for County

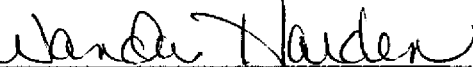
Attest: 

Date: 2/27/13

PAY TEL COMMUNICATIONS, INC.:

By:  (Seal)

By: Vincent Townsend (Printed)

Attest: 

Date: 3/13/13

Account Representative: Phil Ellis

INMATE TELEPHONE SERVICE LOCATION AGREEMENT
Regulatory Compliance Amendment

This Amendment, entered into the 21 of February 2014, between **Orange County Jail and the Sheriff of Orange County** of the one part, hereinafter collectively "Sheriff," and **Pay Tel Communications, Inc.** of the other part, hereinafter "Pay Tel," modifies the Inmate Telephone Service Location Agreement dated July 14, 1995, and Addendums dated January 1, 2000, May 15, 2006, February 19, 2009, and February 27, 2013 (hereafter referred to as the "Agreement"). In anticipation of mandated changes to regulations governing Inmate Telephone Service and in consideration of the mutual promises and covenants contained herein, Pay Tel and Sheriff hereby agree to modify the Agreement as follows:

1. Section 6.(a) of the Agreement is hereby deleted in its entirety and replaced with the following:

6.(a) The parties acknowledge that the Agreement is subject to the provisions of governing state and federal law and regulations, and Pay Tel agrees to provide Services in full compliance with all applicable rules and regulations of the Federal Communications Commission and any applicable State regulatory agency. In the event that such laws or regulations conflict with or are inconsistent with the terms of this Agreement, the provisions of applicable law shall control and supersede the contrary provisions of this Agreement. Pay Tel will provide twenty (20) days prior written notice of any such required changes which shall be deemed incorporated into this Agreement by reference unless objected to in writing by Sheriff within twenty (20) days after receipt of notice, in which case Sheriff's objection will be resolved by application of the dispute resolution provision of Section 6.(j).

2. Section 6.(j) of the Agreement is hereby deleted in its entirety and replaced with the following:

6.(j) In addition to disputes arising under Section 6.(a), in the event that any state or federal legislative, regulatory, judicial or other legal action (a) materially affects any terms of this Agreement or the ability of Pay Tel to perform any terms of this Agreement, or (b) would make Pay Tel's compliance with its obligations under this Agreement, in Pay Tel's reasonable judgment, no longer economical or feasible, Pay Tel may provide written notice of such facts to Sheriff and the parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event negotiations are not resolved within forty-five (45) days of notice, either party may submit the dispute for resolution pursuant to the dispute resolution provisions of this Agreement or alternatively, Pay Tel may terminate this agreement on thirty (30) days' notice to Sheriff.

3. Except as expressly modified by this Regulatory Compliance Amendment, the provisions and conditions of the Agreement, including all Exhibits shall remain in full force and effect.

ORANGE COUNTY, NORTH CAROLINA

By: Albert Lindy Pendergrass (Seal)

By: Albert Lindy Pendergrass (Printed)
Authorized Agent for Sheriff

Date: 2/21/14

Attest: Mary Smith

PAY TEL COMMUNICATIONS, INC.:

By: Vincent Townsend (Seal)

By: Vincent Townsend (Printed)

Date: 2/24/14

Attest: Wanda Harden
Account Representative: Phil Ellis